

Milford, New Hampshire School District  
For the Year Ended June 30, 2011

**Required Communications to Those Charged with Governance**

Professional standards established by the American Institute of Certified Public Accountants (AICPA) require independent auditors to communicate certain matters directly to the School Board or an appropriate committee of the Board. The Information is intended solely for the use of the School Board and management and is not intended to be or should not be used by anyone other than those specified parties. These communications are as follows:

<b>Requirements</b>	<b>Response</b>
<p>The level of responsibility we assume in an audit</p> <p>In addition to the above:</p> <p>GAGAS</p>	<p>Performing the audit in accordance with auditing standards generally accepted in the United States of America.</p> <p>Expressing an opinion as to the fairness with which the District's financial statements are presented in all material respects in conformity with accounting principles generally accepted in the United States of America.</p> <p>We considered the internal controls developed by your District.</p> <p>We considered the internal control over compliance with the requirements that could have a direct material effect on a major program in order to determine our audit procedures and to test the internal control over compliance. We used applicable compliance supplements to make the above determination.</p>
<p>Management is responsible for the selection and use of appropriate accounting policies. We discussed our judgments about the quality of accounting principles selected, the consistency in their application and the clarity in presentation including judgments and uncertainties.</p>	<p>These are described in Note 1 of the financial statements.</p>
<p>Changes in existing accounting policies and/or the adoption of new policies.</p>	<p>During the year ended June 30, 2011, the District implemented GASB 54, <i>Fund Balance Reporting and Governmental Fund Type Definitions</i></p>
<p>Transactions identified with lack of authoritative guidance or consent and related alternative treatments discussed with management.</p>	<p>Nothing came to our attention.</p>
<p>Transactions were recorded in the proper accounting period.</p>	<p>Nothing came to our attention.</p>
<p>Significant accounting estimates that are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.</p>	<p>Overall we believe management's estimations process to be appropriate and conservative.</p>

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For the Year Ended June 30, 2011

**Required Communications to Those Charged with Governance (Continued)**

Certain financial statement disclosures are particularly sensitive to financial statement users.	Nothing came to our attention.
We performed the audit according to planned scope and timing previously communicated to you.	Engagement letter dated July 14, 2011.
Significant audit adjustments.	Nothing came to our attention.
Uncorrected misstatements as part of the audit.	None.
Material weaknesses or significant deficiencies in internal controls noted during the audit.	Nothing came to our attention.
The nature of significant disagreements with management on financial accounting matters or auditing procedures.	Nothing came to our attention.
Any difficulties encountered in dealing with management that affected the performance of the audit.	Management has been extremely cooperative throughout the audit.
Formal opinions management obtained from other independent accountants on significant accounting issues.	Management did not make us aware of any.
Major accounting or auditing issues discussed with management prior to being retained as auditors.	None.
We obtained certain representations from management which we consider to be additions to our standard letter These are:	None.
Fraud involving management that caused a material misstatement to the financial statements.	Nothing came to our attention.
Independence issues.	We are not aware of any instances that we believe would impact our independence.